

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Re: D.I. 1144, 1185, 1187

**CERTIFICATION OF COUNSEL REGARDING ORDER GRANTING IN PART THE
MOTION OF ANDREW LAURENCE, MATTHEW AVRIL, BRIAN KAHN, CYNTHIA
DUBIN, AND THOMAS HERSKOVITS FOR RELIEF FROM THE AUTOMATIC STAY
TO THE EXTENT APPLICABLE, TO ALLOW PAYMENT OF DEFENSE COSTS AND
OTHER LOSSES UNDER DIRECTORS AND OFFICERS INSURANCE POLICIES**

The undersigned counsel to Andrew Laurence, Matthew Avril, Brian Kahn, Cynthia Dubin, and Thomas Herskovits (collectively, the “Movants”), current and former directors and officers of one or more of the above-captioned debtors and debtors in possession (the “Debtors”), hereby certify as follows:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

1. On March 20, 2025, the Movants filed the *Motion of Andrew Laurence, Matthew Avril, Brian Kahn, Cynthia Dubin, and Thomas Herskovits for Relief from the Automatic Stay to the Extent Applicable, to Allow Payment of Defense Costs and Other Losses Under Directors and Officers Insurance Policies* (D.I. 1144) (the “Motion”). A proposed form of order was attached to the Motion as Exhibit A. The deadline to object to the relief sought in the Motion was March 27, 2025.

2. Prior to the objection deadline, the Ad Hoc Group of Freedom Lenders (the “Freedom Lenders”) filed the *Objection of the Ad Hoc Group of Freedom Lenders to Motion of Andrew Laurence, Matthew Avril, Brian Kahn, Cynthia Dubin, and Thomas Herskovits for Relief from the Automatic Stay* (D.I. 1185), and the Official Committee of Unsecured Creditors (the “Committee”) filed the *Joinder of the Official Committee of Unsecured Creditors to Objection of the Ad Hoc Group of Freedom Lenders to Motion of Andrew Laurence, Matthew Avril, Brian Kahn, Cynthia Dubin, and Thomas Herskovits for Relief From the Automatic Stay* (D.I. 1187).

3. As noted on the record at the hearing held on April 3, 2025 (the “Hearing”), the Movants have engaged in arms’-length negotiations with the Freedom Lenders, the Committee, and the Debtors to resolve the objections. A revised form of proposed order is attached hereto as Exhibit A. The Movants presented the revised proposed order to the Court at the Hearing and described two additional revisions that the parties agreed to make to the order. The revised order attached hereto as Exhibit A includes the additional revisions described on the record at the hearing. The Freedom Lenders, the Committee, and the Debtors have reviewed the revised form of order and do not object to its entry.

4. For the convenience of the Court and all parties in interest, a redline of the revised proposed order against the version filed with the Motion is attached hereto as Exhibit B.

WHEREFORE, the Movants respectfully request that the Court enter the order attached hereto as **Exhibit A** at its earliest convenience.

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